



Massachusetts State Lottery Commission

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FOR IMMEDIATE RELEASE

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MASSACHUSETTS STATE LOTTERY POSTS RECORD-BREAKING YEAR *Fiscal year 2012 marks highest sales and profit in Lottery's 40-year history*

BOSTON, Massachusetts (July 24, 2012) – State Treasurer Steven Grossman today announced that a year of record-breaking sales for the Massachusetts State Lottery has led to the highest profit in its 40-year history.

An estimated record \$981 million in net profit was earned which will be available to the Commonwealth's 351 cities and towns in the form of unrestricted local aid. Lottery profits are the single biggest source of unrestricted local aid to Massachusetts' municipalities. This unprecedented profit is a full \$87 million higher than the \$894 million initially projected for the year and \$30 million above the previous profit record of \$951 million set in FY06. Lottery sales for fiscal year 2012 rang in at \$4.740 billion, topping the previous sales record set in FY08 by \$31 million.

"The Mass. State Lottery hit a milestone this year, culminating four decades of innovation and success," said Grossman, who as Treasurer serves as the Lottery Chairman. "Thanks to new game introductions, strategic marketing and prudent management, we are marking fiscal 2012 as the highpoint in the Lottery's 40-year history with an all around record-breaking year."

The Lottery's FY12 record-breaking sales were largely driven by a \$243.4 million, or 8.1 percent, year over year increase in the Instant Ticket portfolio. Helping fuel the Instant Ticket portfolio's success was the four-ticket suite of "For Life" prize-themed games released in February, which outperformed sales expectations by raking in a total of \$222.8 million. The \$20 "40th Anniversary Millions" ticket, which was released in April and generated more than \$84 million in the 11 weeks it was on sale during FY12, was also a strong contributor to the portfolio's success. Instant Ticket sales accounted for \$3.251 billion or 68.6 percent of the Lottery's total revenues in FY12.

The Lottery's draw game portfolio also saw much success in FY12. KENO, the Lottery's primary monitor game offering, benefited from the addition of new retailers,

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as well as from the introduction of innovative player-focused promotions that helped boost the game's already strong sales to \$790.4 million in FY12, a \$22.2 million increase over last year.

Expanding Mass Cash in July from three-nights-a-week to a nightly drawing schedule helped propel the in-state draw game's sales to \$71 million, a 49.7 percent increase over FY11. FY12 results were also bolstered by the Lottery's two multi-state jackpot games. Powerball's decision to increase the price of its tickets from \$1 to \$2 each led to a \$22.2 million jump in games sales, which totaled \$82.9 million for the year. The record \$656 million Mega Millions jackpot in March helped to recoup the majority of the game's revenue dip in FY12 and stabilized sales at \$101.4 million – a 3.3 percent decline from FY11 levels.

Lucky for Life, the regional draw game that was introduced in March, contributed \$16.7 million in new sales for the three and a half months it was available in FY12. The Lottery projects the \$2 game will reach approximately \$61 million in a full fiscal year of sales.

The Lottery's other draw game offerings also generated robust sales. The Numbers Game turned in sales of \$333.8 million; Megabucks Doubler followed with \$33.5 million; the Daily Race game posted \$23.3 million; and, the Massachusetts \$10 Million Raffle chipped in \$10.29 million, while Cash WinFall, which officially ended in January, had \$13.5 million in sales for FY12.

Also contributing to the Lottery's outstanding performance was the mild weather during the winter months. Snowstorms that customarily suppress Lottery sales during the winter months didn't materialize this season, also resulting in a higher level of play.

"This year's record-breaking results reflect the efforts put forth by our entire outstanding organization and our magnificent network of retailers across the state," said Lottery Executive Director Paul Sternburg. "We continue to develop entertaining and innovative product offerings in order to reach new levels of revenue growth and maximize local aid made available to cities and towns."

The Lottery will be conducting audit work on fiscal year 2012's preliminary year-end figures and anticipates releasing its finalized financial statement of operations in early September 2012.

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